



COMMUNITY DEVELOPMENT ACTION GRANT PROGRAM

NOTICE OF FUNDING AVAILABILITY FOR FY 2007

Program Overview

The availability of Community Development Action Grant (CDAG) funding is based on an annual allocation of state bond funds. Under Massachusetts General Law Chapter 121B Section 57A, the CDAG Program is authorized to fund community development projects to revitalize and redevelop decadent, substandard and blighted open areas for public benefit and in the public interest consistent with the sound needs of communities. Any Massachusetts city or town, or under special circumstances two or more communities working together to address regional economic development needs, may submit an application. The Department of Housing & Community Development (DHCD), through its Division of Community Services, is responsible for the administration and operation of the CDAG Program, including the review and approval of CDAG applications.

Commonwealth Capital

The Commonwealth Capital policy of the [Office for Commonwealth Development](#) (OCD) coordinates state capital spending programs, including the CDAG Program, that affect development patterns. OCD is responsible for ensuring that state investments promote projects consistent with the Commonwealth's Sustainable Development Principles and fostering partnerships with municipalities seeking to advance the Commonwealth's development interests. Commonwealth Capital explicitly endorses planning and zoning measures that are in accord with Administration policy and encourages municipalities to implement them by linking state spending programs to municipal land use practices.

OCD evaluates and scores communities that elect to submit a Commonwealth Capital Application annually to measure the use of their municipal powers to promote sustainable development. All municipalities interested in applying to the FY 2007 CDAG Program should submit a FY 2006 Commonwealth Capital Application to OCD prior to or at the same time as the CDAG Application submission in order to receive any of the points associated with their smart growth consistency. The FY 2006 Commonwealth Capital Application and guidelines for its completion may be downloaded from the OCD website. OCD will review submissions and notify individual communities of their Commonwealth Capital Application score within 30 days of their receipt. For FY 2006, the Commonwealth Capital Application must be submitted electronically.

FY 2007 CDAG Application Availability and Due Date

The FY 2007 CDAG Application will be posted online at the DHCD website www.mass.gov/dhcd on Tuesday, October 4, 2005. Applications will be due by 5:00 PM or the end of business on Thursday, December 22, 2005. Funding for the FY 2007 CDAG Program is limited and DHCD expects a highly competitive application round. Communities may also request an application form be mailed to them by contacting Cyrus Field, CDAG Coordinator, at 617-573-1449, or at cyrus.field@state.ma.us. Applications must be submitted to: CDAG Program, DHCD, 100 Cambridge Street, Suite 300, Boston, MA 02114.



CDAG Statutory and Program Thresholds

The following thresholds must be met to ensure that the CDAG application is in compliance with statutory and program requirements. Proposed projects that do not meet CDAG statutory or program thresholds will not be scored. Materials to document compliance are specified, as appropriate, in the application.

- **Sustainable Development Compliance** – In order to receive funding from the CDAG Program, a project must be consistent with the Commonwealth's Sustainable Development Principles. To meet this threshold, a project must either be consistent with the principle of Redevelop First or meet at least five (5) of the following principles: Concentrate Development, Restore and Enhance the Environment, Be Fair, Conserve Resources, Expand Housing Opportunities, Provide Transportation Choice, Increase Job Opportunities, Foster Sustainable Development, and Plan Regionally. Refer to the Office of Commonwealth Development website for more information about this threshold.
- **Public Hearing** – A public hearing on the proposed CDAG project must be conducted.
- **Decadent, Substandard or Blighted Open Area** – Certification and written justification is required from: (1) the municipality's Chief Elected Official; and (2) Planning Board or Building Commissioner official that the project area is a decadent, substandard, or blighted open area.
- **Public Benefit** - The proposed project must be of public benefit, in the public interest and for a public purpose, consistent with the sound needs of the community as a whole, and any benefit to private entities or individuals must be indirect and incidental and not the purpose of the project.
- **Need for Public Action** - The project area would not by private enterprise alone and without government subsidy or exercise of governmental powers be made available for redevelopment.
- **Site Control** - Projects must be publicly owned or managed for a period of not less than 30 years (i.e., the period of time that the state bonds issued to fund the program are outstanding).
- **Assurance of Obtaining Governmental Approvals** - All permits and approvals, including any required zoning changes for project implementation must be identified, as well as the status of each permit and/or approval, and a copy of each permit and/or permit received-to-date.
- **Need for CDAG funds** - The CDAG grant request is both necessary and the minimum amount necessary to make the project feasible. Individual CDAG awards are limited to a maximum of \$1 million.
- **Commitment of all other funds** - Firm commitments of both private and other public funding must exist in sufficient amounts that when added to the amount of the proposed grant, render both the public and private portions of the project financially sound.
 - Proposed public projects must leverage a minimum of 1:2 local municipal funds to CDAG funds.
 - Private investment in the project area must leverage a minimum of 2.5:1 private funds to CDAG funds.
- **Fiscal Impacts** - The proposed project must have a significant impact on the economic condition of the city or town, including the generation or retention of long-term employment.

FY 2007 CDAG Application Process

1. A community may apply for CDAG funding in either one individual application or in one joint application for the FY 2007 funding round.
2. All applicants must schedule a site visit or a project meeting with CDAG staff prior to application submission. CDAG staff will meet with local staff and stakeholders (both public and private) to discuss the nature and scope of the proposed project and whether or not it is eligible for CDAG funding.
3. Technical assistance is available to help communities prepare their applications up until the deadline.

4. CDAG Applications must be submitted to DHCD by 5:00 PM or the end of business on December 22, 2005.
5. Communities should submit their Commonwealth Capital Application to OCD prior to or at the same time as their CDAG application submission to DHCD.
6. The CDAG Application will first be evaluated to determine if the project meets the Commonwealth's Sustainable Development Threshold.
7. If the project meets the Commonwealth's Sustainable Development Threshold, then the CDAG Application will be evaluated by DHCD to ensure that all CDAG statutory and program requirements are met and that the project is eligible for funding.
8. Once DHCD determines that a proposed project has met all statutory and program thresholds and is eligible for CDAG funding, it will review and score the application using the CDAG Project Evaluation Criteria.
9. DHCD may request additional information from any/all relevant sources during the application review process.
10. An eligible CDAG project will receive an overall CDAG Application score calculated from (a) the CDAG Project Evaluation Criteria (70%) and (b) the Commonwealth Capital Application (30%) scores.
11. Recommendations for funding will be based on the comparative degree to which proposed CDAG projects have met CDAG statutory and program priorities and on their combined CDAG Project Evaluation Criteria and Commonwealth Capital Application scores.
12. DHCD reserves the right to consider the availability of funding, geographical distribution, and/or prior grant performance in making final grant awards.

FY 2007 CDAG Application Evaluation and Scoring Overview

FY 2007 CDAG Applications that meet all statutory and program thresholds will be scored. Applications that do not meet all CDAG project thresholds will not be scored. An application may score up to a maximum of 70 points in its Project Criteria Evaluation; it is worth 70% of an application's overall score. If a community has submitted the required documentation for the current Commonwealth Capital Application on or prior to the CDAG application submission deadline, that score will be worth an additional 30% of the total score. If a community has not submitted a Commonwealth Capital Application prior to the CDAG application submission deadline, 30% of their total score will be counted as a "zero."

DHCD will score and make funding recommendations based on (but not limited to) the comparative degree to which the proposed project meets CDAG statutory and program priorities using the following criteria:

- The need for CDAG funds;
- The ratio of private job-creating/retention funds to the requested CDAG award;
- The CDAG costs per job created/retained;
- The degree of economic distress;
- The degree of physical deterioration of the project area;

- The impact of the proposed project on the special needs of low and moderate income persons in the project area;
- The extent to which the proposed project is consistent with the applicant's existing community development plan and represents a special or unique opportunity to meet local priority needs;
- The impact of the proposed project on the residents, particularly those of low and moderate income, of the residential neighborhood, and on the neighborhood that the project will be located;
- The feasibility of accomplishing the proposed project in a timely fashion within the grant amount available; and
- The extent of committed financial participation by other public and private entities.

Changes to the CDAG FY 2007 Application

Changes have been made to the CDAG FY 2007 Application from the FY 2006 Application. Each of the changes will be discussed in the appropriate section of the CDAG FY 2007 Application.